

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2180 - SB 2142**

February 14, 2016

**SUMMARY OF BILL:** Removes the July 1, 2016 termination date from the County Bridge Grant Program Act, permanently authorizing any federally designated economically distressed county that has an unexpected balance of funds that have accrued in the state treasury, that are available for the benefit of the county under the Act, to use the balance to provide a portion of the local government share, provided the county provides at least two percent of the approved project costs from county funds.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Local bridge projects may be undertaken sooner under the provisions of the bill relative to when such projects would occur under current law. Passage of the bill will result in a decrease to the local match funding requirement in order for any applicable local government entity to draw down state appropriated funding currently designated and available for funding local bridge projects. For each \$1,000,000 of costs relative to qualified bridge projects, the decrease in the local match funding requirement would be \$180,000.**

Assumptions:

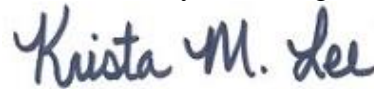
- According to the Department of Transportation (TDOT), the total state appropriations for the Bridge Grant Program have been \$9,540,000 in each of the last five fiscal years (FY11-12 through FY15-16). The Governor's proposed budget for FY16-17 includes a \$9,540,000 appropriation for the Program.
- Pursuant to Tenn. Code. Ann. § 54-4-507, the state share payable for a project undertaken pursuant to the Bridge Grant Program Act must be no more than 80 percent of the approved project cost, with the local government share being at least 20 percent. The local government share may be provided by local government funds or in-kind project work approved by the Commissioner of TDOT.
- The proposed bill will permanently allow any county that has an unexpended balance of state appropriated funds accrued in the state treasury which are available for the benefit of the county to use to provide for the cost of funding a bridge project, provided the county provides at least two percent (2.0%) of the approved project costs from county funds or in-kind project work approved by the Commissioner of Transportation.

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- Passage of the bill will effectively accelerate the spending of state appropriated funds currently designated for local bridge projects; however, the bill does not require any additional state appropriations. As a result, any change in state expenditures is considered not significant. Therefore, decreasing the required local match to two percent will not directly impact the amount budgeted by the Department, or appropriated, for the program.
- Any allocated bridge grant program funds for each county are available only to a county, spent at the discretion of the county, and cannot be reduced or reallocated.
- Permanently lowering the ratio of other local funds required for a county to draw from its allocated bridge grant program funds, down to two percent (from 20 percent), as provided for by this bill, may encourage counties to undertake certain bridge projects sooner than they might have otherwise under current law.
- The proposed extension would grant counties access to state appropriations utilizing a lower local match, resulting in a decrease in local expenditures relative to any project undertaken.
- The proposed legislation is estimated to result in a net decrease in local government expenditures. However, due to multiple unknown factors, the extent of any such decrease cannot be quantified with reasonable certainty.
- For each \$1,000,000 of costs on any bridge project undertaken, the reduction of local support from other local funding would be \$180,000  $[(\$1,000,000 \times 20.0\%) - (\$1,000,000 \times 2.0\%)]$ .

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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